

CHAPTER NO. 712

HOUSE BILL NO. 2953

By Representatives McKee, Black, McMillan, Head, Fitzhugh, Maddox, Litz, Yokley, Coleman, Vaughn, Pleasant, Baird, Brenda Turner, Crider, Roach, Davis, Cochran, Lynn, Sargent, Montgomery, Buttry, Casada, Hawk, Hargett, Hagood

Substituted for: Senate Bill No. 2894

By Senators Miller, Graves, Fowler, Haynes, Williams, McLeary

AN ACT to amend Tennessee Code Annotated, Section 49-7-822, relative to the exemption of educational savings plans, educational service plans, and college savings bonds from state and local taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-822, is amended by deleting the language therein in its entirety and substituting instead the following:

Notwithstanding any law to the contrary, all assets, income and distributions of college education savings plans authorized by federal law, this part, part 9 of this chapter, or by the laws of another state are exempt from any state, county, or municipal tax and shall not be subject to execution, attachment, garnishment, the operation of bankruptcy, the insolvency laws or other process whatsoever, nor shall any assignment thereof be enforceable in any court. This exemption shall include, but is not limited to, plans defined in § 529 of the Internal Revenue Code, accounts properly designated as education savings accounts, education IRAs, or future tuition payment plans, however described, and shall include any properly authorized payments made to or by such funds.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to all such plans, funds, contracts or accounts in existence on the effective date of this act or that are established after such effective date.

PASSED: May 6, 2004


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 18th day of May 2004


PHIL BREDESEN, GOVERNOR